

A PERIOD OF ARMED TRUCE

cording to what Great Britain might have wished if her commercial and strategic desiderata were to be satisfied. On the contrary, the Transiranian, conceived as a link between the north and the south of Iran, disappointed in many ways both Great Britain and Soviet Russia, because instead of facilitating economic or strategic penetration by these two neighbors, it served to strengthen the national unity of Iran.⁴

The Bahrein controversy was another example of the assertion of Iranian nationalism against the British. In 1927 the Iranian government began to claim that the Bahrein Islands situated in the Persian Gulf should return to Iranian sovereignty. The claim was based on historical grounds. The islands, the Iranians asserted, belonged to the Empire of Iran throughout history, and it was only in 1906 that the British, in violation of Iranian suzerainty, extended their protectorate over them. That the islands were inhabited by the Arabs and that their sheikh always enjoyed complete autonomy to all practical purposes did not deter the Iranians from launching energetic propaganda at home and abroad to right the wrong done to Iran by the alleged British perfidy. The Iranian government took special offense when it transpired that by the Treaty of Jidda concluded on May 20, 1927, between the Kingdom of Hejaz and Great Britain, the latter's claim to the Bahrein Islands was officially recognized (see Article 6). Between 1928 and 1936 Iran repeatedly appealed to the League of Nations, but to no avail. At the time of the outbreak of World War II the dispute remained unsettled.

Iran's claim to the islands was intensified by the circumstance

that they turned out to contain oil reserves in their subsoil. Strangely enough, it was not the British but the Americans who eventually undertook oil exploitation there. Reluctant to invest capital in what seemed a very uncertain venture, the British in 1927 relinquished their original concession of 1925 in favor of the Gulf Oil Company (American). This concession passed, in 1928, into the hands of Standard Oil of California. Following the discovery of oil in 1932, the Bahrein Oil Company was created. Since 1936 it has been owned

* A revealing analysis of Big-Power maneuvers with respect to the construction of a railway in Iran is contained in L. P. Ellwell-Sutton, *Modern Iran* (London,